

SECRET

PAO 84-0333

Att. PAO 84-0324
ER 84-2056 F/1-3
7 September 1984

MEMORANDUM FOR: Director of Central Intelligence

FROM: George V. Lauder
Director of Public Affairs

SUBJECT: Speech to the National Strategic Materials and Minerals
Advisory Committee, U.S. Department of the Interior

1. Action Requested: None. This is background information for your address to the National Strategic Materials and Minerals Advisory Committee, Tuesday, 18 September, from 10:00 - 10:30 a.m., at the Hill Conference Center of the National Defense University, Ft. McNair.

2. Background: You are requested to be at the Hill Conference Center at 9:55 a.m. where you will be met at the entrance by Rear Admiral William C. Mott (ret.), Chairman of the Program Advisory Committee. He will escort you to the podium and Dr. John Ellison, host for the National Defense University and Director of the Mobilization Concepts Development Center, will give opening remarks. Admiral Mott will introduce you. (See 23 August letter re his introduction of you on opposite page.) You are asked to give 20 minutes of remarks and 10 minutes for questions and answers. Your speech is at the Secret level. [] senior scientist for TRW, will speak after you on advanced material technology. Your prepared remarks has a section on this topic which will serve as a lead-in for [] The theater seats 60 people and is secure for classified briefings. The podium has an adjustable gooseneck microphone. For historical purposes and to keep the record straight, we have arranged with the Committee to tape record your remarks.

Audience: Approximately 40 to 50 high-level military and government officials, and students at the War College will attend the meeting. All have Top Secret clearances. Seated in the front row will be Lieutenant General Richard D. Lawrence, President of the National Defense University, Major General Clyde Dean (Marine Corps), Major General Perry Smith (Air Force). See opposite page for the list of Committee members and other attendees.

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SECRET

SECRET

SUBJECT: Speech to the National Strategic Materials and Minerals
Advisory Committee, U.S. Department of the Interior

About the Committee: The Committee advises the Secretary of the Interior with respect to his peacetime and emergency defense mobilization responsibilities for strategic minerals and materials, as mandated by the Federal Land Policy and Management Act. These responsibilities include: fostering domestic exploration, mining, and reclamation by private firms; and encouraging mineral and material research and development by industry, academia, and government. (See the Charter of the Committee on opposite page.)

Speech: Attached is the final copy of your remarks. Since you received the first draft, we have been informed that the speech should be 10 minutes shorter than originally planned. This version has, therefore, been shortened. Accompanying the speech is a booklet prepared by DDI on the strategic minerals issue. This will provide you additional information.



George V. Lauder

25X1

Attachments

SECRET

Central Intelligence Agency



Washington, D. C. 20505

Executive Registry

84 - 205613

AH. PAO 84-0324

06 SEP 1984

R. Admiral William C. Mott, USN
U.S. Department of the Interior
Office of the Secretary
Washington, DC 20240

Dear Bill:

I look forward to talking to the National Strategic Materials and Minerals Advisory Committee on 18 September.

In preparing for that, I find our analysts here have put together some interesting materials for me; and I have some views of my own that I am anxious to share. If nothing else, following my remarks the Committee will be unable to conclude that the topic is of less than great importance to future economic and political stability to the world.

Thanks for your helpful suggestion.

Yours,

/s/ Bill

William J. Casey
Director of Central Intelligence

DCI/PAO, mbm/28 Aug 84/x7676

STAT

Distribution:

- Orig. - Addressee
- 1 - ER 84-2056/2
- 1 - PAO Reg. 84-0324
- 1 -

STAT

28 August 1984

MEMORANDUM FOR: Director of Central Intelligence
FROM: [redacted]
Acting Director, Public Affairs Office

STAT

SUBJECT: Letter From R. Admiral William Mott Concerning Your Remarks
to the National Strategic Materials and Minerals Advisory
Committee

1. Action Requested: Please sign accompanying letter to R. Admiral
William Mott.

2. Background: On 18 September at 10:00 a.m. you will address the
National Strategic Material and Minerals Advisory Committee concerning U.S.
dependency on foreign strategic minerals. R. Admiral Mott, Chairman of the
Committee, has written you a letter dated 23 August requesting you stress
President Reagan's continuing personal interest in this topic.

25X1 After speaking with [redacted] Executive Director of the
Committee, [redacted] of this office in conjunction with DDI is preparing
suggested remarks for this occasion. A draft will be available for your
review by 10 September.

STAT

3. Recommendation: As Admiral Mott notes in his letter, the President's
commitment is obvious. Your acceptance of the Committee's invitation and
attendance is also evidence of the serious attention given by the Intelligence
Community to this issue. To reiterate the President's personal interest at
this time might be presumptuous. I suggest the attached letter be sent which
seeks to reassure Admiral Mott but does not commit the President any further
than he is obviously committed.

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Attachment

DCI/PAO [redacted] mbm/28 Aug 84/x7676

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- 1 - [redacted]
- 2 - PAO Files (comeback)



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Central Intelligence Agency



Washington, D. C. 20505

R. Admiral William C. Mott, USN
U.S. Department of the Interior
Office of the Secretary
Washington, DC 20240

Dear Bill:

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Thanks for your helpful suggestion.

Yours,

William J. Casey
Director of Central Intelligence

*really a
bit ponderous.
How about a
single sentence
declaring*

TRANSMITTAL SLIP

DATE

29 Aug 84

TO:

ER

ROOM NO.

BUILDING

REMARKS:

FROM:

ROOM NO.

BUILDING

EXTENSION

FORM NO. 241
1 FEB 55

**REPLACES FORM 36-8
WHICH MAY BE USED.**

(47)

Approved For Release 2008/11/20 : CIA-RDP86M00886R001700380007-9

28 August 1984

MEMORANDUM FOR: Director of Central Intelligence

FROM:

[Redacted]
Acting Director, Public Affairs Office

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SUBJECT:

Letter From R. Admiral William Mott Concerning Your Remarks
to the National Strategic Materials and Minerals Advisory
Committee

1. Action Requested: Please sign accompanying letter to R. Admiral William Mott.

2. Background: On 18 September at 10:00 a.m. you will address the National Strategic Material and Minerals Advisory Committee concerning U.S. dependency on foreign strategic minerals. R. Admiral Mott, Chairman of the Committee, has written you a letter dated 23 August requesting you stress President Reagan's continuing personal interest in this topic.

After speaking with Mr. Wayne Marchant, Executive Director of the Committee, [Redacted] of this office in conjunction with DDI is preparing suggested remarks for this occasion. A draft will be available for your review by 10 September.

STAT

3. Recommendation: As Admiral Mott notes in his letter, the President's commitment is obvious. Your acceptance of the Committee's invitation and attendance is also evidence of the serious attention given by the Intelligence Community to this issue. To reiterate the President's personal interest at this time might be presumptuous. I suggest the attached letter be sent which seeks to reassure Admiral Mott but does not commit the President any further than he is obviously committed.

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DCI/PAO

[Redacted] mbm/28 Aug 84/x7676

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- 1 - ER 84-2056/2
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- 1 - [Redacted]
- 2 - PAO Files (comeback)

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Central Intelligence Agency



Washington, D. C. 20505

Executive Registry

84 - 205613

R. Admiral William C. Mott, USN
U.S. Department of the Interior
Office of the Secretary
Washington, DC 20240

Dear Bill:

I look forward to talking to the National Strategic Materials and Minerals Advisory Committee on 18 September.

In preparing for that, I find our analysts here have put together some interesting materials for me; and I have some views of my own that I am anxious to share. If nothing else, following my remarks the Committee will be unable to conclude that the topic is of less than great importance to future economic and political stability to the world.

Thanks for your helpful suggestion.

Yours,

William J. Casey
Director of Central Intelligence

DCI/PAO [redacted] :mbm/28 Aug 84/x7676

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- 2 - PAO Files (comeback)

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EXECUTIVE SECRETARIAT

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11	IG				
12	Compt				
13	D/Pers				
14	D/OLL				
15	D/PAO	✓			
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SUSPENSE		Date			

Remarks

3637 (10-31)

8/27/84
Date

All. EL84-2056+1+2

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L-265



United States Department of the Interior

OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20240

NATIONAL STRATEGIC MATERIALS AND MINERALS ADVISORY COMMITTEE

August 23, 1984

Mr. William Casey
Director, Central Intelligence Agency
Washington, D.C. 20505

Dear Bill:

[redacted] suggested I drop you a note concerning your remarks to be made to the National Strategic Materials and Minerals Advisory Committee on Tuesday 18 September at 10:00 a.m. I'm sure your Public Affairs Staff with whom we have been in touch will prepare for you a good working document.

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There is, however, one hard historical fact, particularly within your knowledge, which I hope you would stress - and that is President Reagan's personal interest in the importance of strategic minerals to our industrial complex. I will introduce you and mention your direct involvement as Campaign Manager in persuading Governor Reagan to accept the challenge of the Geologists Association to make the issue of strategic minerals part of his campaign. You'll recall he was the only candidate to do so. Soon after he accepted the challenge he appointed a Task Force, of which Dan McMichael (Vice Chairman of my Committee who will be in the audience), Frank Barnett, myself and some 23 others were members.

Obviously, the President still has an interest in the subject or he wouldn't have asked Judge Clark to set up our Committee. But, some of our members would like reassurance on this point and there's no one better qualified than you to give it! We look forward to your remarks.

A list of the Committee members and their assignments to working subcommittees is enclosed. In addition to the Committee members, all of whom have been given top secret clearance, several of our Government resource people will be invited (all similarly cleared) and a list will be provided well before the date. In addition, my son-in-law Captain Tom Fritz of Naval Intelligence (whom you've met) will be coming.

All the best,

Bill

William C. Mott
R. Admiral, USN

NATIONAL STRATEGIC MATERIALS AND MINERALS PROGRAM ADVISORY COMMITTEE
Subcommittee Assignments

I. Public Lands Issues; Resource Identification; R and D; Substitutes; EEZ

CHAIRMAN

R. Daniel McMichael
3900 Mellon Bank Building
525 William Penn Place
Pittsburgh, Pennsylvania 15219
(412) 392-2919

Thys Johnson
Head, Mining Department

Colorado School of Mines
Golden, Colorado 80401
(303) 273-3703

James F. Davis
State Geologist for the
Division of Mines & Geology
State of California
1416 Ninth Street, Rm. 1341
Sacramento, California 95814
(916) 445-1923

Rowena Rogers, President
State Board of Land Commissioners
Department of Natural Resources
1313 Sherman Street
Denver, Colorado 80203
(303) 866-3454

David A. Heatwole
Anaconda Minerals Company
2550 Denali Street, Suite 1000
Anchorage, Alaska 99503
(907) 276-8115

James Santini
1110 Vermont Ave., NW
Suite 1060
Washington, DC 20005
(202) 429-1910

II. Trade Issues; Foreign Investment; A.I.D. Policies; Intelligence; Foreign Relations

CHAIRMAN

E. F. Andrews, Vice President
Materials and Services
Allegheny International, Inc.
P.O. Box 456
Pittsburgh, Pennsylvania 15230
(412) 562-4250

Timothy W. Stanley, President
International Economic Policy Association
1625 Eye Street, N.W.
Washington, D.C. 20006
(202) 331-1974

Samuel Goldberg, Vice President
Inco United States, Inc.
One New York Plaza
New York, New York 10004
(212) 742-4000

Philip C. Walsh
Vice Chairman of the Board
St. Joe Minerals
170 E. 77th St.
New York, New York 10021
(212) 953-5009

John W. Goth
Executive Vice President
AMAX, Inc.
AMAX Center
Greenwich, Connecticut 06836
(203) 629-6000

Conrad G. Welling
Senior Vice President
Ocean Minerals Co.
465 N. Bernardo Avenue
Mountain View, California 94043
(408) 742-1330

G. Frank Joklik, President
Kennecott
P.O. Box 11248
Salt Lake City, Utah 84147
(801) 322-7000

III. Domestic Processing Capacity Issues

CHAIRMAN

Philip D. Block III, Vice President
Inland Steel Company
30 West Monroe Street
Chicago, Illinois 60603
(312) 346-0300

James I. Gibson
Executive Vice President
Pacific Engineering Company
P.O. Box 797
Henderson, NV 89015
(702) 565-8741

Samuel Goldberg, Vice President
Inco United States, Inc.
One New York Plaza
New York, New York 10004
(212) 742-4000

Harrison H. Schmitt
P.O. Box 8261
Albuquerque, New Mexico 87198
(505) 293-1982

Donald G. Silva
Senior Program Manager
Science and Engineering Associates
2500 Louisiana, N.E., Suite 610
Albuquerque, New Mexico 87110
(505) 884-2981

Tempel Smith, Jr., President
Tempel Steel Company
5990 West Touhy
Niles, Illinois 60648
(312) 282-9400

IV. National Security Issues; Stockpile; Defense Production act, Title III
Management

CHAIRMAN

Simon D. Strauss
Consultant, Mineral Economics
597 Pine Brook Blvd.
New Rochelle, New York 10804
(914) 576-2559

T S Ary, President
Minerals Exploration Division
Kerr McGee Corporation
P.O. Box 25861
Oklahoma City, Oklahoma 73125
(405) 270-1313

William A. Griffith, President
Hecla Mining Company
P.O. Box 320
Wallace, Idaho 83873
(208) 752-1251

Richard C. Snyder
Associate Director, Federal Relations
TRW Inc.
1000 Wilson Blvd., Suite 2700
Arlington, Virginia 22209
(703) 276-5033

Mason Walsh, Jr.
Richard K. Mellon and Sons
P. O. Box 1138
Pittsburgh, Pennsylvania 15230
(412) 392-2808

W. Glen Zinn
Regional Exploration Manager
Molycorp, Inc.
P.O. Box 3976
Englewood, Colorado 80155
(303) 790-7600

NATIONAL STRATEGIC MATERIALS AND MINERALS PROGRAM ADVISORY COMMITTEE

CHARTER

- A. Official Designation. National Strategic Materials and Minerals Program Advisory Committee.
- B. Objective and Scope of Committee Activities. The Committee's objective is to advise the Secretary of the Interior (the Secretary hereafter) with respect to both his peacetime and his emergency defense mobilization responsibilities for strategic and critical minerals and materials, as mandated by the Federal Land Policy and Management Act, the Mining and Minerals Policy Act of 1970, the National Materials and Minerals Policy, Research and Development Act of 1980, the Defense Production Act of 1950, as amended, the Strategic and Critical Materials Stock Piling Revision Act of 1979, and the organic legislation of the Department and the several bureaus and agencies thereof. These responsibilities include:
- fostering and encouraging private enterprise in the development of stable and economic domestic exploration, mining, mineral, metal, and reclamation industries;
 - assuring the adequacy of strategic and critical minerals and materials data gathering and analytical capabilities to support policy decisions;
 - fostering research and development in the minerals and materials sector, including industry, academia, and government;
 - consistent with other national goals and policies, mitigating factors that impair the ability of the minerals sector of the economy to produce strategic and critical minerals and materials--factors such as land use policies, inequitable treatment by other nations, and regulatory restrictions; and
 - developing appropriate emergency defense mobilization measures, such as identification of critical manufacturing facilities and transportation infrastructure, and establishment of priorities and allocation measures and appropriate emergency supply expansions in the United States, and in other strategically accessible sources.

In pursuit of these objectives, the Committee shall:

- evaluate progress in implementing the National Materials and Minerals Program Plan submitted by the President to the Congress in April 1982; identify any barriers to full implementation of the plan, and recommend actions to overcome such barriers;
- identify existing or potential deficiencies in the availability of strategic and critical minerals and materials; the technological capability to process them; data on reserves, resources, production, and consumption for use in policy making; and any regulatory, domestic

2.

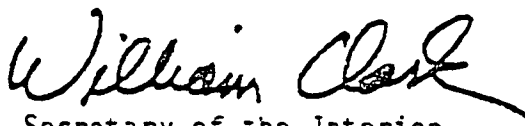
or international trade policies, or other influences that militate against an assured supply of these materials; and develop recommendations to remedy such factors;

- ° review completed and proposed stockpile transactions and analyses to assess their impact on the suitability of the stockpile for its intended purposes, and recommend corrective actions as appropriate.

Conclusions from the foregoing analyses and the resulting recommendations shall be included in a report to the Secretary following each meeting of the Committee, and at such other times as necessary to provide effective, timely advice consonant with the Committee objectives and the needs of the Secretary.

- C. Time Required for the Committee to Accomplish Its Purposes. The time required for the Committee to accomplish its purposes is estimated to be at least two years. Continuation beyond two years will be subject to review and renewal as required by Section 14 of the Federal Advisory Committee Act (86 Stat. 770; 5 U.S.C. App. 1) and General Services Administration Interim Rule 41 CFR Part 101-6.
- D. Official to Whom the Committee Reports. The Secretary of the Interior.
- E. Agency Responsible for Providing Support. The Department of the Interior is responsible for providing support subject to distribution of necessary costs and personnel position and travel limitations among Departmental bureaus and agencies as prescribed by the Secretary. Departmental support will be coordinated by the Assistant Secretary for Water and Science, who will be the Designated Federal Employee for the Committee.
- F. Authority for Committee Functions. In performing the duties described in Section B above, the Committee is authorized to form subcommittees and task forces and to recommend for the Secretary's appointment individuals from the public and private sectors as members of them.
- G. Estimated Annual Operating Cost. Dollars: \$200,000; person-years: 2. Expenses of the Committee will be shared by Department of the Interior bureaus and agencies as prescribed by the Secretary.
- H. Estimated Number and Frequency of Meetings. At least two annual meetings of the whole Committee, lasting approximately two days each, will be held at regularly scheduled intervals or as otherwise required by the Designated Federal Employee. Subcommittees and task forces will be governed by the provisions of this charter and approved internal procedures for Committee operations. All meetings of the whole Committee, the Subcommittees, Task Forces and their agendas must have the approval of the Designated Federal Employee.
- I. Termination Date. This Charter shall expire not later than two years after its establishment, unless prior to that date, the Secretary makes a formal determination that its continuation is necessary and in the public interest.

- J. Description of Membership. The Committee will consist of 25 members. The Secretary shall appoint the members and a Chairman. In order to provide a balanced point of view, the membership shall represent the concerns of strategic materials producers and consumers, including small businesses. Each member shall be selected on the basis of background, knowledge, and experience related to one or more of the basic areas of concern. The Designated Federal Employee shall recommend an Executive Director for the Committee who shall be a full-time, salaried, Federal Civil Service employee. The Executive Director shall be responsible for Committee operations, recordkeeping, and reporting requirements.
- K. Allowances. Committee, Subcommittee and Task Force members and the staff of the Committee, while engaged in the performance of approved Committee business away from their homes or their regular places of business, shall be fully reimbursed for travel expenses, including per diem in lieu of subsistence, as authorized by 5 U.S.C. 5703.
- L. Authority. It has been duly determined, following consultation with the General Services Administration, that the establishment of the National Strategic Materials and Minerals Program Advisory Committee is in the public interest in connection with the performance of duties imposed on the Secretary by the legislation cited in paragraph B above.


Secretary of the Interior

Date signed: 4-20-84

Date charter filed: 4-24-84

JUSTIFICATION
for the
National Strategic Materials and Minerals Program Advisory Committee

The Congress has charged the Secretary of the Interior with substantial responsibilities in connection with maintaining a supply of strategic and critical materials and minerals adequate to meet National needs. These responsibilities are described, for example, in the Mining and Minerals Policy Act of 1970, the National Materials and Minerals Policy, Research and Development Act of 1980, the Defense Production Act of 1950, as amended, the Strategic and Critical Materials Stock Piling Act of 1979, and the organic legislation of the Department and the several bureaus and agencies thereof.

In response to the Congressional mandate, the President has ensured high-level attention to strategic materials and minerals issues by assigning them to the Cabinet Council on Natural Resources and the Environment for consideration. This assignment, together with other elements of the Administration's response to the charge from Congress, is contained in the National Materials and Minerals Program Plan submitted by the President to the Congress in April 1982; however, the specific mechanisms by which the President's plan will address Congressional concerns have not been described formally. Nor have the administrative means been established by which the Executive Branch can ensure that actions are timely, effective, and sufficiently flexible to accommodate rapidly changing technological, economic, and social conditions, both domestic and international.

To address specific details of the Congressional mandate and the President's plan, the National Strategic Materials and Minerals Program Advisory Committee will utilize the skills of knowledgeable citizens representing industrial, academic, and state and local government minerals and materials producers and consumers. From this diverse, broadly-based perspective the Committee will identify specific National strategic minerals and materials needs and recommend specific actions to address them.

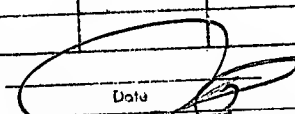
The work of the Committee will not duplicate the activities of any existing body; furthermore, there is no such body presently able to provide the objective, informed, and timely recommendations necessary to accomplish the goals articulated by the Congress and the President.

EN: RIDE request, DDI gave speed
& Nat'l Strategic Materials & Minerals
Program meeting on 25 May,
Action complete,

DCI
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EXECUTIVE SECRETARIAT ROUTING SLIP

TO:

		ACTION	INFO	DATE	INITIAL
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Remarks

D/ Executive Secretary
25 May 84

Date

3637 (10-81)

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SECRET


Executive Registry

84-2056/1

25 May 1984

MEMORANDUM FOR: Deputy Director for Intelligence
FROM: Director of Central Intelligence
SUBJECT: Your Remarks to National Strategic Materials
and Minerals Program Advisory Committee

I like your remarks to the National Strategic Materials and Minerals Program Advisory Committee. I think the portion on the risk of becoming vulnerable is particularly valuable and should be looked at in greater depth in a broad document and also in the document about opportunities abroad for US know-how and technology to be applied to demonstrate our ability to deliver economic benefits in contrast to the Soviets' ability to deliver only know-how and military equipment, as well as to improve our own markets to help Third World countries to service their heavy debt. I understand from Herb that this latter subject has been intended as a future estimate and I would like to see how that is being formulated again sometime early in June.


William J. Casey

cc: VC/NIC w/DDI's Remarks

SECRET

DCI
EXEC
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25X1

L-265
XF L-204A

22 May 1984

NOTE TO: Director of Central Intelligence
Deputy Director of Central Intelligence
Director, Public Affairs Office

I have been asked to stand in for the DCI on Friday at the opening meeting of Interior Secretary Clark's National Strategic Materials and Minerals Program Advisory Committee. I have been asked to speak on an unclassified basis to a sizable group of business executives and officials for about 10-15 minutes.

I plan to use the attached remarks which were prepared substantially by OGI. If you have any suggestions or comments please provide them to me first thing Thursday morning as I will be leaving town that afternoon.



Robert M. Gates
Deputy Director for Intelligence

STAT

Attachment:
As Stated

Remarks to the National Strategic Materials and Minerals
Program Advisory Committee

25 May 1984

It is a pleasure to be present at the first meeting of this Presidential Advisory Committee. We at the Agency have learned over the years that private sector expertise has much to offer us. In looking down the membership list of this committee, I am struck by the breadth and depth of experience. That is indeed fortunate because the task before you is a challenging one.

We at the Agency are concerned as you over dangers posed by US dependence on foreign minerals and materials. Since World War II the mineral position of the United States has deteriorated. Rising nationalism in the Third World, accompanied by nationalization, expropriation, increased taxation and constraints on the degree of foreign ownership, has limited control of foreign minerals by US companies. Moreover, as you know better than I, sharply higher energy costs since 1973 and a trend in the LDCs toward greater downstream processing have led to a decline in the US mineral processing industry.

For certain minerals, the United States is highly dependent on imports. Take 8 minerals -- chrome, cobalt, columbium, manganese, the platinum group, tantalum, titanium and tungsten. Each has important military and essential civilian industrial application. The key suppliers are considered by many to be at least potentially unreliable, and the United States is highly import dependent on them.

Western Europe and Japan face even more serious potential problems than the United States in this arena. Only in the case of tungsten do they have any sizeable resources. On the other hand, unlike the West, the USSR is virtually self-sufficient in strategic minerals.

There is reason for concern for supply reliability.

-- South Africa and the USSR control about 90% of the world's platinum production and nearly all known reserves.

-- South Africa and Zimbabwe hold 98% of the non-Communist world's chrome reserves.

-- Zaire, Zambia and the USSR control about 75% of world cobalt production.

The potential for serious supply disruption arising from these concentrations have led the developed countries to seek new mineral deposits elsewhere but they have not had much success.

With supplies of strategic metals relatively abundant since World War II, western vulnerability has not yet been tested. Several possibilities exist for strategic mineral supply disruptions initiated by others with the intent to harm the West and particularly the United States. Some of these include covert political-military actions by the USSR or surrogates to disrupt mineral supplies in Africa, politically motivated embargoes by

several LDC suppliers, or political instability in key producing countries leading to prolonged supply disruption. There are of course other scenarios one can imagine.

One of our greatest concerns in the Third World is the possibility of a sudden political upheaval, one result of which is a prolonged cutoff of several critical minerals. We dedicate substantial intelligence assets to providing early warning of such upheavals. As we track Soviet troublemaking in Africa, the Middle East, the Caribbean, and Latin America -- where Moscow seeks ^{primarily} political and military gains at our expense -- I can assure you that we are attentive to the potential impact of their actions on energy, minerals and other resource supplies.

But you are aware of these concerns. I am here because your charter says your "...committee shall: ... identify existing or potential deficiencies in the availability of strategic and critical minerals and materials; the technological capability to process them; ...and develop recommendations to remedy such factors".

Drawing on your charter, I want to direct your attention to the fact that the United States is running a risk of becoming vulnerable in an entirely new area -- the materials area: in my view a more immediate risk than a resource war fomented by the USSR. The concept of strategic materials is changing. The rapid change and diffusion of technology is redefining the meaning of strategic dependence. Looking out to the years ahead, I believe four areas already merit special attention:

- fiber reinforced composites,
- structural ceramics,
- new semiconductor materials and
- electro-optic materials such as fiber optics and sensors.

Many applications of these advanced materials are found in the transportation and information sectors -- areas of military concern to the United States.

In transportation, for example:

- Uniquely configured ultra-thin wings made of composites have already proven capable of greatly increasing in-flight maneuverability.
- Strong, light weight, and fracture resistant fiber reinforced plastics, have potential applications in helicopter rotors, aircraft wings, and jet engines.
- Ceramics offer as many possibilities. Engine parts, made of ceramics can be operated at high temperatures, improving thermodynamic efficiency, horsepower, and fuel consumption. Some experts anticipate a 30 percent increase in fuel efficiency and a doubling in vehicle

range, especially important in cruise missile and tank applications.

In civil and military information applications,

-- Researchers are looking to advanced materials such as gallium arsenide as current silicon-based semiconductors approach theoretical performance limits.

-- Optical fibers made of silicon glass are outcompeting copper in communications applications because they are capable of carrying at least an order of magnitude more messages.

-- Electro-optical sensors hold great promise in a wide variety of applications, ranging from target-homing antitank projectiles to intelligent robots.

Bio-technology also offers interesting promise.

-- Bio-technology could reduce dependence on petroleum as the feed stock for organic compounds such as plastics.

-- Bio-technology may also aid in future oil recovery by lowering the viscosity of residual oil and producing carbon dioxide to repressurize wells. Some estimate that these techniques can be applied to 500,000 US wells now producing less than 10 barrels per day.

My concern is that as production of these materials increases, in part through foreign government support, foreign competitors may build enough capacity to discourage US firms from moving into these areas. And if this happens, the relevant production technology for military applications may never be established domestically without expensive Defense Department programs.

This is increasingly important because of a growing change in the civilian/military relationship. More and more, the flow of technology is from civilian to military application.

-- For some advanced materials, large civilian markets can attract substantially more R&D investment than the military can support.

-- Civilian performance requirements in many cases equal or exceed those of the military. Jet engines in commercial aircraft, for example, are expected to last longer than those used by the military.

All of this means that to the extent dual-use advanced materials and manufacturing processes are developed and applied more rapidly abroad, the United States may find itself dependent on foreign sources for materials or technologies of military concern. Indeed, some dependencies are already developing:

-- The Japanese control about 70 percent of the world market in ceramic packages for microelectronic chips.

-- US firms developing ceramic-based engines have found that Japan and Australia are the only source of high-quality, reasonably priced ceramic parts.

In addition to this issue, the emergence of strong foreign capabilities in advanced materials complicates US efforts to control the flow of technology to the Soviet bloc. COCOM enforcement becomes increasingly difficult as the number of possible sources of these technologies increases and you can be sure that the Soviets will aggressively seek to acquire new materials, technologies, and know-how from the West.

Looking further down the road we can envision that as the role of technology expands, even the concept of strategic stockpiles may have to be reassessed. While physical stores of various strategic minerals and materials will always be important, one must consider that information, processes, and know-how may also have great strategic importance in the years ahead. We need to ask ourselves how we can best guarantee that the United States has ready access to the production and materials technologies of the future on which advanced military systems will depend. Under your charter, these appear to be legitimate concerns for this Committee. I commend them to your priority attention.

EXECUTIVE SECRETARIAT

ROUTING SLIP

TO:

		ACTION	INFO	DATE	INITIAL
1	DCI		✓		
2	DDCI		✓		
3	EXDIR				
4	D/ICS				
5	DDI	✓			
6	DDA				
7	DDO				
8	DDS&T				
9	Chm/NIC				
10	GC				
11	IG				
12	Compt				
13	D/Pers				
14	D/OLL				
15	D/PAO				
16	SA/IA				
17	AO/DCI				
18	C/IPD/OIS				
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SUSPENSE _____ Date _____

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Remarks

Ex. _____
 Date 5/14/84

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United States Department of the Interior

OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20240

Executive Registry

84-2056

May 11, 1984

Honorable William J. Casey
Director, Central Intelligence Agency
Washington, D.C. 20505

Dear Bill,

Enclosed herewith is the press release announcing the formation of the Committee and "dramatis personae" which we discussed on the telephone plus the Charter under which we will be operating. Of course, we're disappointed you won't be able to appear at the first meeting but we'd be deeply grateful if your Bob Gates could give us 10-15 minutes on the criticality of certain minerals in our industrial society. I would like it if he would emphasize the defense dependence and give some indication of the meaning of Soviet positioning in the areas of origination of our supply lines, e.g., Southern Africa.

We would like Mr. Gates to appear in Room 7000B at Interior at 9:30, Friday morning, the 25th of May. The chances are the briefing will be unclassified unless I can get an interim clearance for the group.

All the best,

Bill

William C. Mott
R. Admiral, USN (Ret.)

Enclosures

DCI
EXEC
REG

L-265

NATIONAL STRATEGIC MATERIALS AND MINERALS PROGRAM ADVISORY COMMITTEE

Membership List

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NATIONAL STRATEGIC MATERIALS AND MINERALS PROGRAM ADVISORY COMMITTEE

CHARTER

- A. Official Designation. National Strategic Materials and Minerals Program Advisory Committee.
- B. Objective and Scope of Committee Activities. The Committee's objective is to advise the Secretary of the Interior (the Secretary hereafter) with respect to both his peacetime and his emergency defense mobilization responsibilities for strategic and critical minerals and materials, as mandated by the Federal Land Policy and Management Act, the Mining and Minerals Policy Act of 1970, the National Materials and Minerals Policy, Research and Development Act of 1980, the Defense Production Act of 1950, as amended, the Strategic and Critical Materials Stock Piling Revision Act of 1979, and the organic legislation of the Department and the several bureaus and agencies thereof. These responsibilities include:
- fostering and encouraging private enterprise in the development of stable and economic domestic exploration, mining, mineral, metal, and reclamation industries;
 - assuring the adequacy of strategic and critical minerals and materials data gathering and analytical capabilities to support policy decisions;
 - fostering research and development in the minerals and materials sector, including industry, academia, and government;
 - consistent with other national goals and policies, mitigating factors that impair the ability of the minerals sector of the economy to produce strategic and critical minerals and materials--factors such as land use policies, inequitable treatment by other nations, and regulatory restrictions; and
 - developing appropriate emergency defense mobilization measures, such as identification of critical manufacturing facilities and transportation infrastructure, and establishment of priorities and allocation measures and appropriate emergency supply expansions in the United States, and in other strategically accessible sources.

In pursuit of these objectives, the Committee shall:

- evaluate progress in implementing the National Materials and Minerals Program Plan submitted by the President to the Congress in April 1982; identify any barriers to full implementation of the plan, and recommend actions to overcome such barriers;
- identify existing or potential deficiencies in the availability of strategic and critical minerals and materials; the technological capability to process them; data on reserves, resources, production, and consumption for use in policy making; and any regulatory, domestic

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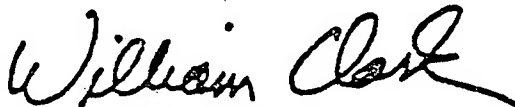
or international trade policies, or other influences that militate against an assured supply of these materials; and develop recommendations to remedy such factors;

- review completed and proposed stockpile transactions and analyses to assess their impact on the suitability of the stockpile for its intended purposes, and recommend corrective actions as appropriate.

Conclusions from the foregoing analyses and the resulting recommendations shall be included in a report to the Secretary following each meeting of the Committee, and at such other times as necessary to provide effective, timely advice consonant with the Committee objectives and the needs of the Secretary.

- C. Time Required for the Committee to Accomplish Its Purposes. The time required for the Committee to accomplish its purposes is estimated to be at least two years. Continuation beyond two years will be subject to review and renewal as required by Section 14 of the Federal Advisory Committee Act (86 Stat. 770; 5 U.S.C. App. 1) and General Services Administration Interim Rule 41 CFR Part 101-6.
- D. Official to Whom the Committee Reports. The Secretary of the Interior.
- E. Agency Responsible for Providing Support. The Department of the Interior is responsible for providing support subject to distribution of necessary costs and personnel position and travel limitations among Departmental bureaus and agencies as prescribed by the Secretary. Departmental support will be coordinated by the Assistant Secretary for Water and Science, who will be the Designated Federal Employee for the Committee.
- F. Authority for Committee Functions. In performing the duties described in Section B above, the Committee is authorized to form subcommittees and task forces and to recommend for the Secretary's appointment individuals from the public and private sectors as members of them.
- G. Estimated Annual Operating Cost. Dollars: \$200,000; person-years: 2. Expenses of the Committee will be shared by Department of the Interior bureaus and agencies as prescribed by the Secretary.
- H. Estimated Number and Frequency of Meetings. At least two annual meetings of the whole Committee, lasting approximately two days each, will be held at regularly scheduled intervals or as otherwise required by the Designated Federal Employee. Subcommittees and task forces will be governed by the provisions of this charter and approved internal procedures for Committee operations. All meetings of the whole Committee, the Subcommittees, Task Forces and their agendas must have the approval of the Designated Federal Employee.
- I. Termination Date. This Charter shall expire not later than two years after its establishment, unless prior to that date, the Secretary makes a formal determination that its continuation is necessary and in the public interest.

- J. Description of Membership. The Committee will consist of 25 members. The Secretary shall appoint the members and a Chairman. In order to provide a balanced point of view, the membership shall represent the concerns of strategic materials producers and consumers, including small businesses. Each member shall be selected on the basis of background, knowledge, and experience related to one or more of the basic areas of concern. The Designated Federal Employee shall recommend an Executive Director for the Committee who shall be a full-time, salaried, Federal Civil Service employee. The Executive Director shall be responsible for Committee operations, recordkeeping, and reporting requirements.
- K. Allowances. Committee, Subcommittee and Task Force members and the staff of the Committee, while engaged in the performance of approved Committee business away from their homes or their regular places of business, shall be fully reimbursed for travel expenses, including per diem in lieu of subsistence, as authorized by 5 U.S.C. 5703.
- L. Authority. It has been duly determined, following consultation with the General Services Administration, that the establishment of the National Strategic Materials and Minerals Program Advisory Committee is in the public interest in connection with the performance of duties imposed on the Secretary by the legislation cited in paragraph B above.


Secretary of the Interior

Date signed: 4-20-84

Date charter filed: 4-24-84

JUSTIFICATION
for the
National Strategic Materials and Minerals Program Advisory Committee

The Congress has charged the Secretary of the Interior with substantial responsibilities in connection with maintaining a supply of strategic and critical materials and minerals adequate to meet National needs. These responsibilities are described, for example, in the Mining and Minerals Policy Act of 1970, the National Materials and Minerals Policy, Research and Development Act of 1980, the Defense Production Act of 1950, as amended, the Strategic and Critical Materials Stock Piling Act of 1979, and the organic legislation of the Department and the several bureaus and agencies thereof.

In response to the Congressional mandate, the President has ensured high-level attention to strategic materials and minerals issues by assigning them to the Cabinet Council on Natural Resources and the Environment for consideration. This assignment, together with other elements of the Administration's response to the charge from Congress, is contained in the National Materials and Minerals Program Plan submitted by the President to the Congress in April 1982; however, the specific mechanisms by which the President's plan will address Congressional concerns have not been described formally. Nor have the administrative means been established by which the Executive Branch can ensure that actions are timely, effective, and sufficiently flexible to accommodate rapidly changing technological, economic, and social conditions, both domestic and international.

To address specific details of the Congressional mandate and the President's plan, the National Strategic Materials and Minerals Program Advisory Committee will utilize the skills of knowledgeable citizens representing industrial, academic, and state and local government minerals and materials producers and consumers. From this diverse, broadly-based perspective the Committee will identify specific National strategic minerals and materials needs and recommend specific actions to address them.

The work of the Committee will not duplicate the activities of any existing body; furthermore, there is no such body presently able to provide the objective, informed, and timely recommendations necessary to accomplish the goals articulated by the Congress and the President.



DEPARTMENT of the INTERIOR

news release

OFFICE OF THE SECRETARY

For Release April 25, 1984

SECRETARY CLARK NAMES CHAIRMAN OF NATIONAL
STRATEGIC MATERIALS AND MINERALS PROGRAM ADVISORY COMMITTEE

Secretary of the Interior William Clark announced today appointment of retired Admiral William C. Mott as chairman of the newly created National Strategic Materials and Minerals Program Advisory Committee.

"President Reagan has developed a National Materials and Minerals Program Plan, the first such plan in 30 years, to respond to numerous Congressional directives designed to ensure the supply of critical and strategic minerals to meet our Nation's needs," Secretary Clark said. "Admiral Mott and our new committee will provide valuable guidance in this program."

In announcing the appointment, Clark said selection of 24 Committee members is underway. The members will be introduced at the first meeting of the Committee, expected in May.

Admiral Mott is General Counsel and Director of the National Strategy Information Center (NSIC), a private nonprofit organization established in 1962 to foster education in international security affairs. He formerly was Executive Director of NSIC's Council on Economics and National Security, created in 1980 to promote interest in U.S. dependence on foreign sources of both fuel and non-fuel minerals and other issues involving industrial preparedness and mobilization planning. A Naval Academy graduate and World War II combat veteran, he has served as an aide to two Presidents and as a legislative assistant to two Chairmen of the Joint Chiefs of Staff. His last tour of duty before retiring from active service was as the Judge Advocate General of the Navy.

"Creation of this Advisory Committee provides the vehicle for carrying out goals set by the Congress and the President. The broadly based, bi-partisan Committee will be sufficiently flexible to recognize and adjust to rapidly changing conditions while identifying specific national minerals needs and making recommendations to address those needs," Secretary Clark said.

(more)

"Currently, we depend on foreign producers for a substantial portion of our supply of more than 24 minerals that are essential to our National Security. This Nation's continuing dependence on foreign sources for the natural resources most vital to our strategic and economic security is of great concern to me."

Secretary Clark said the Committee will advise on both peacetime and defense mobilization responsibilities for strategic and critical minerals. Special emphasis will be placed on fulfilling the mandates of the Federal Land Policy and Management Act of 1976, the Mining and Minerals Policy, Research and Development Act of 1980, the Defense Production Act of 1950, as amended, and the Strategic and Critical Materials Stock Piling Revision Act of 1979.

The Committee will be assisted by an Executive Director, who will be a Federal employee. According to Clark, a number of Federal agencies have submitted names for consideration, but no selection has been made at this time.

The full Committee will hold at least two meetings each year. The charter of the Committee runs for two years and may be extended if the Secretary of the Interior deems it to be in the national interest.

xxx